

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6723

BILL NUMBER: HB 1345

NOTE PREPARED: Dec 22, 2011

BILL AMENDED:

SUBJECT: Cancellation of Certain Property Taxes.

FIRST AUTHOR: Rep. Smith V

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill permits the Department of Local Government Finance (DLGF) under certain circumstances to cancel property taxes imposed on: (1) a nonprofit corporation organized for educational, literary, scientific, religious, or charitable purposes; or (2) any other entity organized as a church or religious entity.

Effective Date: July 1, 2012.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: This provision would allow county assessors, county auditors, county treasurers, and township assessors (if any) to jointly petition the DLGF to cancel property taxes charged to an otherwise exempt property owner in a case where the exemption application was not timely filed or where the taxes were assessed against the prior owner.

If petitioned, the DLGF would be able to cancel the taxes and any accrued interest or penalties with approval from the Attorney General. Canceled taxes would reduce property tax distributions to local civil taxing units and school corporations. The fiscal impact would depend first on local action and then on action by the DLGF and Attorney General.

State Agencies Affected: Department of Local Government Finance; Attorney General.

Local Agencies Affected: County assessors; County auditors; County treasurers; Township assessors; Civil taxing units and school corporations.

Information Sources:

Fiscal Analyst: Bob Sigalow, 317-232-9859.